

December 18, 2024

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National Association of State Boards of Accountancy
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Thomas Neill, CPA, Chair, AICPA UAA Committee
American Institute of CPAs
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RE: Proposed Changes to the Uniform Accountancy Act and UAA Model Rules

Dear Joint UAA Committee members:

The North Carolina Association of Certified Public Accountants (NCACPA), representing more than 12,000 members in public practice, industry, government, and education, welcomes the opportunity to respond to the request for comment on the Exposure Draft referenced above.

NCACPA supports consideration of alternative pathways to licensure. The accounting talent pipeline is a top concern of our membership, including leaders in public accounting firms, businesses, government entities, and nonprofit organizations. NCACPA has long been committed to identifying and enacting solutions to attract and retain the next generation of CPAs. An alternative pathway is seen as one lever, alongside others, to ensure qualified talent is attracted to the profession and the public maintains access to qualified CPAs.

In our letter dated December 4, we identified several concerns with the Competency-Based Experience Pathway proposal, including:

- The unnecessary complexity of the framework;
- The ambiguity and subjectivity of the professional and technical competencies;
- The lack of specificity about the voluntary tracking system to be developed by NASBA;
- The absence of an explanation of the funding method of administrative costs associated with the framework; and
- The reputational and legal risk associated with subjective evaluation of prospective licensees by market participants, which may be seen as anti-competitive.

While we commend the work the AICPA and NASBA have invested in evaluating additional potential pathways to licensure and the presented proposal, we do not support the Competency-Based Experience Pathway proposal and oppose its inclusion in the Uniform Accountancy Act and UAA Model Rules. We offer the following additional feedback on specific elements of the proposed changes in the Exposure Draft.

Section 5 – Qualifications for a Certificate as a Certified Public Accountant

For the reasons outlined above, the language in Section 5(c)(2)(C) and Section 5(f)(2) should not be included in the UAA. We further oppose the language in Section 5(f)(2) referencing a competency framework “developed by a national accounting organization.” While such organizations play an important role in facilitating discussion and promoting ideas, this authority should rest solely on the state boards of accountancy.

Section 23 – Substantial Equivalency

The proposed changes ignore the reality that multiple states are poised to propose and adopt alternative pathways to CPA licensure that are not based on the Competency-Based Experience Pathway framework. The UAA and Model Rules must not be developed in a vacuum, incognizant of the legislative and regulatory proposals already under consideration in a variety of jurisdictions throughout the country.

In this dynamic environment, linking the definition of substantial equivalency to the Competency-Based Experience Pathway framework would be highly disruptive to practitioner mobility. Furthermore, state boards of accountancy should not delegate their regulatory authority to NASBA’s National Qualification Appraisal Service on matters of determining substantial equivalency, nor should such determinations be based on an individual’s inclusion in a national licensee database maintained by NASBA.

NCACPA firmly asserts that automatic mobility is essential to the continued stability of the accounting profession through seamless interstate individual practice privilege during this time of transition. The North Carolina General Assembly unanimously amended its practice privilege statute (N.C.G.S. § 93-10) in 2009 and adopted automatic mobility with four key guardrails. Individuals must:

1. Hold a valid and unrevoked CPA license or certificate issued by another state, U.S. territory, or the District of Columbia;
2. Have not been convicted of a felony or a crime of which an essential element is dishonesty, deceit, or fraud;
3. Have passed the Uniform CPA Examination; and
4. Comply with state’s laws and rules and be subject to the disciplinary authority of the State Board of CPA Examiners.

Individuals who meet these conditions are granted the privilege to perform services as a CPA in North Carolina without notice to the State Board or payment of any fee. This statute has functioned without issue or challenge for more than 15 years, ensuring minimal disruption to the accounting profession while simultaneously protecting the public interest.

NCACPA recommends that the Joint UAA Committee seize the opportunity to preserve, promote, and expand automatic mobility across the nation by proposing the incorporation of similar language into Section 23.

In closing, NCACPA requests the AICPA and NASBA UAA Committees reconsider the approach outlined in the Exposure Draft and delay the release of any future exposure drafts related to this

topic—keeping the desired success of future alternative pathway candidates as the central focus.

NCACPA supports continued efforts by all stakeholders evaluating current and alternative pathways to licensure to help alleviate the talent shortage and make the process more equitable by examining the three pillars of the credential—education, experience, and the exam—and the interplay between them. These efforts should be centered on maintaining license mobility and preserving the integrity of the licensure in the market while avoiding new barriers and complexity.

Thank you for the opportunity to submit these comments. We welcome the opportunity to continue exploring alternative pathways to licensure. Please direct any questions or concerns to NCACPA Vice President of Advocacy and Outreach Robert Broome, CAE, at rbroome@ncacpa.org or (919) 481-5160.

Signed,



Courtney Knoll, PhD, CPA
Chair



Mark P. Sotichek II, CPA, CGMA
CEO

cc: AICPA Leadership and Board of Directors
NASBA Leadership and Board of Directors
NCACPA Board of Directors